

## Message Text

CONFIDENTIAL

PAGE 01 ISLAMA 03602 01 OF 04 091659Z

44

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 SAJ-01 OMB-01 EB-07 COME-00 TRSE-00 AID-05

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FM AMEMBASSY ISLAMABAD

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INFO AMEMBASSY COLOMBO

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AMCONSUL KARACHI

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CINCPAC CAMP SMITH HI

C O N F I D E N T I A L SECTION 1 OF 4 ISLAMABAD 3602

CINCPAC FOR POLAD

E.O. 12052: GDS

TAGS: PINT, PK

SUBJECT:(ABHUTTO PREPARES FOR ELECTIONS

SUMMARY: 1976 IS ELECTION CAMPAIGN YEAR FOR PAKISTAN.  
BHUTTO'S PLANS AND ACTIONS DURING YEAR CAN BE VIEWED  
THROUGH PRISM OF ENSURING THE OVERWHELMING POPULAR  
MANDATE PM HOPES TO GARMER. BHUTTO HWI SAIUHCPP WILL  
GAIN MAJORITY IN EVERY PROVINCE IN ELECTIONS AND WE  
DO NOT DOUBT THIS PREDICTION. HE IS REHABILITATING  
WHAT WAS RELATIVELY MORIBUND PPP, SINCE ITS MANPOWER  
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PAGE 02 ISLAMA 03602 01 OF 04 091659Z

WILL BE HELPFUL DURING CAMPAIGN AND AT POLLS. HE WILL

NOT ALLOW PARTY, HOWEVER, TO BECOME INDEPENDENT ENTITY WHICH MIGHT THREATEN HIS OWN RULE.

WHILE PREPARING PPP FOR ELECTIONS, PM HAS COMBINED LEFTIST RHETORIC AND LEGISLATION WITH INFUSION OF NEW PARTY MEMBERS FROM TRADITIONAL CONSERVATIVE RULING CLASS. WE BELIEVE PARTY'S NEW MANIFESTO WILL BE LONG ON LEFTIST SLOGANS AND PLANKS IN APPEAL TO RURAL MASSES AND URBAN WORKING CLASSES. HOWEVER, VERY LANDLORDS AGAINST WHOM LEFT INVEIGHS ARE WELCOMED BY PM INTO PARTY. THEY ARE SOURCE OF UNDS AND SUPORT FOR PM AND IT GIVES THEM FURTHER INFLUENCE IN FORUMS OF POWER. WE BELIEVE BHUTTO WILL BE ABLE TO SUSTAIN THIS DICHOTOMY UNTIL TICKETS ARE GIVEN FOR THE ELECTIONS WHEN WE BELIEVE PREPONDERANCE OF PPP NOMINEES WILL BE DISTINCTLY MORE CONSERVATIVE THAN 1970 STANDARD-BEARERS. ALTHOUGH LEFTISTS WILL CRITICIZE THEIR SELECTION, THEY HAVE NO PLACE ELSE TO GO.

BHUTTO MAY SEEK IN THE PRE-ELECTION PERIOD TO MAKE FURTHER PROGRESS ALONG THE FOREIGN POLICY LINES HE HAS ALREADY ESTABLISHED. HIS ACHIEVEMENTS IN THIS ARE HAVE BEEN HIS MOST HIGHLY REGARDED ACCOMPLISHMENTS. WE DOUBT HE WILL TAKE ANY FRESH INITIATIVES TOWARD THE IMPROVEMENT OF PAKISTAN'S RELATIONS WITH INDIA AND AFGHANISTAN. WE THINK HE WILL TRY TO KEEP US/PAKISTANI RELATIONS ON AN EVEN KEEL, AND HIS CONCERN FOR US GOODWILL MAY ALSO ACT AS A RESTRAINT ON THE DEGREE TO WHICH OPPOSITION RIGHTS ARE RESTRICTED DURING THE CAMPAIGN.

BHUTTO WILL PROBABLY CONTINUE THE SUCCESSFUL CARROT AND STICK TREATMENT OF THE OPPOSITION. HIS OPEN OFFER TO RESUME A DIALOGUE WITH OPPOSITION PARTIES WILL BE MIXED WITH PUNITIVE ACTIONS AGAINST OPPOSITION POLITICIANS. THE OPPOSITION, OR WHAT IS LEFT OF IT AS THE TREND TO BOARD THE PPP BANDWAGON CONTINUES, IS BEDEVILED BY LACK OF COMMON IDEOLOGY AND ITS BOYCOTT OF THE NATIONAL ASSEMBLY HAS PROVEN BANKRUPT. CONSEQUENTLY, SOME CREDIT FOR A PPP VICTORY MUST BE LAID AT DOORSTEP  
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PAGE 03 ISLAMA 03602 01 OF 04 091659Z

OF OPPOSITION PARTIES WHICH DO NOT OFFER REALISTIC ALTERNATIVES TO PPP RULE. WE BELIEVE POSSIBLE TACTIC OF TOTAL BOYCOTT OF ELECTIONS WILL NOT BE SUCCESSFUL, SINCE BHUTTO IS WELL ABLE TO USE HIS POLITICAL PROWESS TO ENSURE THAT AT LEAST SOME OPPOSITION PARTIES WILL CONTEST.

PPP'S BASIC APPEAL TO THE MASSES STEMS FROM ITS CALLS

FOR ECONOMIC REFORMS AND SOCIAL EQUALITY. WE EXPECT CERTAIN REFORMS WHICH COULD TEND TO REDISTRIBUTE INCOME WILL CONTINUE TO BE PROMINENT PARTS OF PPP DOGMA. BUT COUNTERPRESSURES FROM MORE CONSERVATIVE ELEMENTS WILL SEVERELY RESTRICT WHAT BHUTTO GOVERNMENT IS LIKELY TO DO. PAKISTAN'S CURRENT ECONOMIC PROBLEMS COMPLICATE PPP'S STATED GOAL OF INCOME REDISTRIBUTION, BUT BHUTTO'S VULNERABILITY ON THIS POINT IS MORE A LONG-TERM PROBLEM. HE CANNOT IN LONG RUN AFFORD TO IGNORE PRESSING ECONOMIC ISSUES, BUT THE PRESSURES OF ELECTION YEAR WILL MAKE IT MORE DIFFICULT FOR HIM TO INTRODUCE ECONOMIC REFORMS WHICH HAVE A SHORT-RUN ADVERSE EFFECT ON THE STANDARD OF LIVING OF LARGE NUMBERS OF PEOPLE.

BHUTTO DOES NOT LIKE TO LEAVE ANYTHING TO CHANCE AND

WE ASSUME HIS ELECTION STRATEGY WILL REFLECT HIS PROPENSITY FOR "OVERKILL." HE WILL USE ALL ASSETS HE CAN COMMAND, INCLUDING GOVERNMENT BUREAUCRACY, THE FSF, AND THE MEDIA, WHICH ARE ALL AMENABLE TO PM'S WILL, TO ENSURE PPP VICTORY. IN A FREE AND OPEN ELECTION THE PPP WOULD PROBABLY EMERGE VICTORIOUS, BUT RATHER THAN A RESPECTABLE BUT PERHAPS NOT OVERWHELMING VICTORY, BHUTTO WANTS ANDHOLL RECEIVE A SWEEPING MANDATE COMBINED WITH ONLY HANDFUL OF VICTORIES FOR THE OPPOSITION.

DRAFT OF THIS REPORT WAS CONSIDERED AT A MEETING OF EMBASSY AND CONSTITUENT POST POLITICAL OFFICERS. FINAL PRODUCT LARGELY REFLECTS THE CONSENSUS REACHED AT THAT SESSION. IT WAS REVIEWED BY THE CONSULS GENERAL BEFORE SUBMISSION FOR CLEARANCE BY THE  
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PAGE 04 ISLAMA 03602 01 OF 04 091659Z

AMBASSADOR AND IS SUBMITTED IN LIEU OF OUR REGULAR QUARTERLY DOMESTIC POLITICAL REPORT. END SUMMARY.

1. PAKISTAN'S ELECTION YEAR. 1976  
IS THE YEAR OF THE  
ELECTION CAMPAIGN FOR PAKISTAN. PRIME MINISTER BHUTTO'S ATTENTION, WHICH HAS INCREASINGLY TURNED TOWARD DOMESTIC AFFAIRS DURING THE PAST SIX MONTHS, WILL BECOME EVEN MORE FOCUSED ON STEPS NEEDED TO ENSURE A SWEEPING VICTORY AT THE POLLS FOR THE PPP IN THE BALLOTING, WHICH WE ASSUME WILL BE HELD DURING THE COLD WEATHER OF 1976-77.

2. BHUTTO'S POLITICAL INSTINCTS, FORMED DURING HIS 18 YEAR CAREER IN PAKISTANI POLITICS, HAVE CONTINUALLY

SHARPENED TO THE POINT WHERE HE IS NOW THE QUINT-  
ESSENTIAL MANIPULATOR IN THE COUNTRY. HE THRIVES ON  
POLITICAL IN-FIGHTING AND MANEUVERING AND THE UPCOMING  
ELECTIONS WILL PROVIDE AND OPPORTUNITY FOR HIM TO  
DEMONSTRATE HIS MASTERY OVER THE PAKISTANI POLITICAL  
PROCESS.

3. WHEN ASSESSING BHUTTO'S PROBABLE ACTIONS AND PLANS  
FOR THE COMING YEAR, THE TOUCHSTONE SHOULD BE HOW THEY  
WILL AFFECT ENSURING THE OVERWHELMING POPULAR MANDATE  
THE PRIME MINISTER HOPEY TO GARNER. HIS ATTITUDE  
TOWARD FOREIGN POLICY, THE OPPOSITION, THE PPP,  
PROVINCIAL RIGHTS AND SOCIAL AND ADMINISTRATIVE ISSUES  
CAN ALL BE VIEWED THROUGH THE ELECTION PRISM. HE IS A  
MAN WHO WANTS TO BE REMEMBERED AS ONE OF THE GREAT  
LEADERS OF PAKISTAN AND A WORLD-RESPECTED STATESMAN.  
ZULFIKAR ALI BHUTTO IS A SLY, QUICK-WITTED, POWER-PRONE  
SINDHI POLITICIAN, BUT HE IS ALSO INFLUENCED BY  
WESTERN IDEAS AND IDEALS, AND THESE UNDOUBTEDLY AFFECT  
HIS VISION OF THE FUTURE PAKISTAN. HIS DESIRE FOR  
PUBLIC APPRECIATION AND HIS WILLINGNESS OFTEN TO ADOPT  
HARSH AUTHORITARIAN MEASURES, HIS SUPPORT FOR THE

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PAGE 01 ISLAMA 03602 02 OF 04 120429Z

60

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

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C O N F I D E N T I A L SECTION 2 OF 4 ISLAMABAD 3602

CINCPAC FOR POLAD

"REVOLUTIONARY" POLICIES OF THE PPP (AS LONG AS THEY DO NOT ANTAGONIZE TOO MANY OF THE INFLUENTIAL COMMERCIAL AND LANDED CLASSES ON WHOM HE DEPENDS FOR FINANCIAL AND POLITICAL SUPPORT) AND HIS SIMULTANEOUS WOOING OF TRADITIONAL POWER BROKERS, ARE AMONG THE SEEMINGLY CONTRADICTORY ELEMENTS IN HIS POLITICAL STYLE AND APPROACH WHICH WILL BE INTENSIFIED THIS ELECTION YEAR.

4. PPP. BHUTTO HAS SAID THAT THE PPP WILL EMERGE FROM THE NATIONAL ELECTIONS WITH A MAJORITY IN EVERY PROVINCE. WE DO NOT DOUBT THE ACCURACY OF HIS PREDICTION. THE  
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PAGE 02 ISLAMA 03602 02 OF 04 120429Z

PARTY WHICH A YEAR AGO WAS A RELATIVELY MORIBUND POLITICAL TOOL OF THE PRIME MINISTER IS BEING RE-HABILITATED FOR ELECTION YEAR. THE PARTY'S MANPOWER WILL BE USEFUL TO HELP ENSURE SUCCESS AT THE POLLS. YET WHILE SEEKING TO MAKE THE PPP A RESPONSIVE, ACTIVE PARTY, BHUTTO HAS NO INTENTION OF ALLOWING IT TO EMERGE AS AN INDEPENDENT ENTITY WHICH MIGHT BECOME AN ALTERNATIVE POWER CENTER TO HIS OWN RULE.

5. THE PRIME MINISTER HAS FOLLOWED A TWO-PRONGED POLICY IN STRENGTHENING THE PPP IN PREPARATION FOR ELECTIONS -- LEFTIST RHETORIC AND LEGISLATION COMBINED WITH THE INFUSION OF NEW PARTY MEMBERS WHO REPRESENT THE TRADITIONAL CONSERVATIVE RULING ELITE. THE PRIME MINISTER REALIZES THAT ELECTION VICTORY RESTS IN THE RURAL AREAS, ESPECIALLY RURAL PUNJAB. THE PPP'S LEFTIST, QUASI-SOCIALIST PARTY PLANKS ARE BEING REFURBISHED IN AN OBVIOUS ATTEMPT TO DEMONSTRATE THE PARTY'S FIRM STAND AGAINST THE PRIVILEGED CLASSES. IN THE URBAN AREAS, PARTY RHETORIC IS SUPPOORTIVE OF WORKERS' DEMANDS AND CRITICAL OF ABUSES BY INDUSTRIALISTS, PARTY GENERAL SECRETARY MUBASHIR HASSAN, THE RADICAL EX-FINANCE MINISTER, HAS BEEN TASKED WITH CHAIRING THE GROUP WHICH IS WRITING THE NEW PPP MANIFESTO, WHICH WE BELIEVE WILL BE LONG ON LEFTIST SLOGANS AND PLANKS AND CONTAIN CALLS FOR FURTHER RESTRICTIONS ON SIZE OF

LANDHOLDINGS, MORE BENEFITS FOR WORKERS AND STUDENTS, AND FURTHER EFFORTS TO BREAK THE POWER OF THE CONSERVATIVE LANDOWNING CLASS. WE FORESEE THAT SOME OF THIS REHTORIC WILL BE REFLECTED IN FRESH LEGISLATION, THOUGH WE BELIEVE THAT ANY LEGISLATION CHANGES WILL BE LARGELY INCREMENTAL AND SYMBOLIC AND WILL NOT ENTAIL ANY REALLY SIGNIFICANT CHANGES IN PAKISTAN'S ECONOMIC OR SOCIAL STRUCTURE. OUR INITIAL READING OF BHUTTO'S DRAMATIC APRIL 8 ANNOUNCEMENT IN QUETTA ABOLISHING THE SARDARI (TRIBAL CHIEFTAIN) SYSTEM IS THAT IT IS PROBABLY AN EXCELLENT EXAMPLE OF THIS APPROACH.

6. HOWEVER, MUCH TO THE CONSTERNATION OF THE ORIGINAL PARTY MEMBERS, MANY OF THEM LEFTIST, BHUTTO HAS WELCOMED INTO THE PARTY WITH OPEN ARMS THOSE VERY LANDLORDS  
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PAGE 03 ISLAMA 03602 02 OF 04 120429Z

AND BUSINESSMEN AGAINST WHOM THE LEFT INVEIGHS. THE CONSERVATIVE ELEMENTS AND THE PRIME MINISTER UNDOUBTEDLY SEE MUTUAL ADVANTAGE IN THEIR FLOCKING TO THE PPP BANNER. FOR THE PRIME MINISTER, IT MEANS A SOURCE OF FUNDS, AND, THROUGH THE VOTE BANKS CONTROLLED BY THE TRADITIONAL RULING CLASSES, OF RELIABLE BALLOT BOX SUPPORT. FOR THE NEW INITIATES INTO THE PARTY, IT MEANS HAVING INCREASED OPPORTUNITIES TO MAKE MONEY AND A GREATER SAY IN THE COUNTRY'S ADMINISTRATION WITH THE CONCOMITANT INCREASE IN THEIR INFLUENCE IN THE FORA OF POWER. THE LANDOWNERS AND BUSINESSMEN HAVE REALIZED THAT THE PRIME MINISTER IS FIRMLY ENSCONCED IN POWER, AND THEY ARE NOT HESITATING IN JUMPING ON THE BANDWAGON. ALTHOUGH (#)

OVERLY DISTURBED BY IT  
AND REALIZE HE MUST USE IT TO HELP HIS ELECTION EFFORTS.

7. BHUTTO WIL BE ABLE CONVINCINGLY TO SUSTAIN THIS DICHOTOMY, LEFTIST RHETORIC AND PLATFORM AND GROWING RIGHTIST INFLUENCE IN THE PARTY, UNTIL TICKETS ARE GIVEN FOR ASSEMBLY AND SENATE SEATS. AT THAT TIME, WE BELIEVE THE PREPONDERANCE OF PPP NOMINEES WILL BE DISTINCTLY MORE CONSERVATIVE THAN THE 1970 STANDARD-BEARERS. IT IS IN BHUTTO'S INTEREST TO AWARD TICKETS TO THE NEW, MORE CONSERVATIVE PPP CONVERTS. THEY HAVE THE TRADITIONAL POLITICAL BASES IN THE COUNTRY, THEY HAVE THE FUNDS FOR THE CAMPAIGN, AND THEY WOULD POSE THE GREATEST THREAT IF THEY DECIDED TO SUPPORT THE PRIME MINISTER'S OPPOSITION. THE LEFTISTS WILL CRITICIZE THEIR SELECTION, BUT FIND THEMSELVES WITH

GENERALLY NO OTHER PLACE TO GO. AFTER THE ELECTIONS, WE MAY SEE THE ANOMALOUS SITUATION OF A PARLIAMENT WITH AN IDEOLOGICAL MAKE-UP MUCH CLOSER TO THE PRE-1970 ASSEMBLIES REPRESENTING A PARTY WITH THE MOST LEFTIST RHETORIC OF ANY RULING PARTY IN PAKISTAN'S HISTORY.

8. THE PRIME MINISTER HAS INITIATED A MUCH-HERALDED REORGANIZATION OF THE PPP AND HAS MADE TRIPS TO ALL  
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PAGE 04 ISLAMA 03602 02 OF 04 120429Z

THE PROVINCES TO REBUILD THE PARTY STRUCTURE AND MACHINERY. WE SEE THE PM USING THE TRIPS AS CONSTANT REMINDERS TO THE PARTY FAITHFUL THAT THEIR POSITIONS ARE DUE TO THE WISHES OF ONE MAN - THE PARTY CHAIRMAN - THUS HELPING ENSURE THAT THEIR ALLEGIANCE DOES NOT WAVER. WE CONSEQUENTLY BELIEVE THA HE HIGHLY PUBLICIZED PARTY REORGANIZATION WILL NOT EFFECT THE BASIC STRUCTURE OR FORM OF THE PPP. IT WILL, HOWEVER, HELP TIGHTEN EVEN FURTHER BHUTTO'S CONTROL OVER THE PRY AND ITS WORKERS.

9. THE CABINET IS PREPARED. AS NOTED IN ISLAMABAD 1511, THE RECENT CABINET CHANGES WERE ALSO INDICATIVE OF THE PRIME MINISTER'S PREPARATIONS FOR THE UPCOMING ELECTIONS. BALUCHISTAN AND THE SIND BOTH HAVE GREATER REPRESENTATION AT THE CABINET LEVEL, THE POWER OF MUMTAZ ALI BHUTTO -- ALWAYS A POSSIBLE THREAT TO HIS COUSIN -- HAS BEEN CIRCUMSCRIBED, MARAJ KHALID HAS BEEN PUT IN CHARGE OF HIS NEW MINISTRY OF SOCIAL WELFARE, LOCAL GOVERNMENT AND RURAL DEVELOPMENT AS A FURHTER STEP TO PROVE TO THE PEASANTRY THE PPP'S DEDICATION TO REFORM.

10. FOREIGN POLICY. BHUTTO MAY SEEK IN THE PRE-ELECTION PERIOD TO MAKE FURTHER PROGRESS ALONG THE FOREIGN PLICY LINES HE HAS ALREADY ESTABLISHED. BARRING SUCH UNPREDICTABLE DRAMATIC DEVELOPMENTS AS OVERT INDIAN INTERVENTION IN BANGLADESH, HE IS UNLIKELY TO FACE ANY SIGNIFICANT QUESTIONING OF HIS CONDUCT OF PAKISTAN'S FOREIGN RELATIONS. HIS ACHIEVEMENTS IN THIS AREA HAVE BEEN HIS MOST HIGHLY REGARDED ACCOMPLISHMENTS.

1-. WE DO NOT THINK THE PRIME MINISTER WILL TAKE THE INITIATIVE TO IMPROVE RELATIONS WITH EITHER INDIA OR AXGHANISTAN DURING ELECTION YEAR. HE HAS LITTLE TO LOSE IN THE PRESENT SITUATION. THERE IS CERTAINLY NO GREAT PUBLIC PRESSURE TO COME CLOSER TO PAKISTAN'S TWO NEIGHBORS, AND THE CONTINUING SPECTER OF UNFRIENDLY FORCES ON EITHER BORDER MAY BE SEEN BY BHUTTO AS A USEFUL BUT NOT ESSENTIAL POLITICAL TOOL AS ELECTIONS

APPROACH. SOME WOULD ONTEND THAT HE COULD GAIN SOME  
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PAGE 05 ISLAMA 03602 02 OF 04 120429Z

POLITICAL ADVANTAGES FROM SOME SORT OF ACCOMMODATION  
WITH INDIA THIS YEAR -- A FREER FLOW OF VISITORS  
BETWEEN THE TWO COUNTRIES, GREATER TRADE BENEFITS,  
AND DIRECT AIR FLIGHTS TO BANGLADESH. HOWEVER, RESULTS  
OF ATTEMPTS TO IMPROVE RELATIONS ARE UNPREDICTABLE AND  
THERE IS NO CERTAIN GUARANTEE THAT ANY SUCH ATTEMPTS  
WOULD REDOUND TO BHUTTO'S BENEFIT. ALSO, HIS CONCERNS

NOTE BY OC/T: ISLAMABAD 3602/2, (#) OMISSION. CORRECTION TO FOLLOW.

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PAGE 01 ISLAMA 03602 03 OF 04 092205Z

44

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

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CINCPAC CAMP SMITH HI



C O N F I D E N T I A L SECTION 3 OF 4 ISLAMABAD 3602

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ARE CENTERED ON DOMESTIC POLITICS, AND ANY MAJOR NEW FOREIGN POLICY INITIATIVES IN THESE SENSITIVE AREAS WOULD ONLY REDUCE THE TIME AVAILABLE THAT COULD BE USED TO STRENGTHEN HIS DOMESTIC POSITION.

12. WE BELIEVE BHUTTO WILL TRY TO KEEP US-PAKISTAN RELATIONS ON AN EVEN KEEL THROUGHOUT THE ELECTION YEAR. THESE TIES ARE NOT LIKELY TO BECOME A CAMPAIGN ISSUE UNLESS THERE ARE DEVELOPMENTS ELSEWHERE (E.G., THE MIDEAST) WHICH LEAD THE TWO COUNTRIES TO ADOPT SHARPLY DIFFERING POSITIONS. SHOULD THIS HAPPEN, CONFIDENTIAL

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PAGE 02 ISLAMA 03602 03 OF 04 092205Z

BHUTTO WILL PROBABLY ATTEMPT PRIVATELY TO REASSURE US. HE WILL POINT OUT, BOTH IN THIS CONTEXT AND OTHERS, THAT ELECTION YEAR POLITICS MAKE IT NECESSARY FOR HIM TO TAKE STANCES HE MIGHT OTHERWISE PREFER NOT TO ADOPT.

13. BHUTTO'S CONCERN FOR US GOODWILL MAY ALSO ACT AS A RESTRAINT ON THE DEGREE TO WHICH THE RIGHTS OF THE OPPOSITION ARE RESTRICTED DURING ELECTION CAMPAIGNING. HE IS AWARE OF THE IMPORTANCE OF HAVING A GOOD IMAGE IN THE UNITED STATES, AND THIS HELPS TO DISCOURAGE HIM FROM UNDERTAKING ANY EGREGIOUS ELECTION EXCESSES WHICH WOULD AFFECT HIM NEGATIVELY IN AMERICAN PUBLIC OPINION.

14. CARE AND FEEDING OF THE OPPOSITION. THE CARROT AND STICK TECHNIQUE, SO SUCCESSFULLY EMPLOYED IN THE PAST BY BHUTTO, WILL PROBABLY BE CONTINUED THROUGH THE ELECTIONS. HIS OPEN OFFER TO RESUME NEGOTIATIONS WITH OPPOSITION PARTIES, HIS CONSTANT CALLS FOR A RESPONSIBLE OPPOSITION IN THE PARLIAMENT AND IN PAKISTANI POLITICAL LIFE, WILL CONTINUE TO BE MIXED WITH PUNITIVE ACTS AGAINST OPPOSITION POLITICIANS SUCH AS HARASSMENT, TRUMPED-UP LEGAL ACTIONS, AND LONG-TERM INCARCERATION.

15. IN MANY WAYS THE OPPOSITION IS ITS OWN WORST ENEMY. IT IS STILL BEDEVILED BY THE LACK OF COMMON IDEOLOGY OR PLATFORM, OTHER THAN THE NEGATIVE ONE OF ANTI-BHUTTOISM, ITS POLICY OF BOYCOTTING THE NATIONAL ASSEMBLY AND SENATE HAS PROVEN BANKRUPT AND IT HAS RETURNED TO THE CHAMBERS WHERE IT IS AT LEAST ASSURED

OF A CERTAIN AMOUNT OF PUBLICITY. THE PPP SWEEP IN THE ELECTIONS THAT MOST OBSERVERS PREDICT WILL BE UNDOUBTEDLY DUE IN LARGE MEASURE TO BHUTTO'S UNSURPASSED ABILITY TO MANIPULATE THE COUNTRY'S POLITICAL PROCESSES. HOWEVER, SOME OF THE CREDIT FOR ANY PPP VICTORY CAN BE LAID AT THE DOORSTEP OF THE OPPOSITION PARTIES WHICH THROUGH THEIR OWN INEPTITUDE AND DIVISIONS DO NOT OFFER A REALISTIC VIABLE ALTERNATIVE TO PPP RULE.

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PAGE 03 ISLAMA 03602 03 OF 04 092205Z

16. ONE TACTIC OPEN TO THE OPPOSITION, OR WHAT IS LEFT OFHFT AS THE TREND TO BOARD THE PPP BANDWAGON CONTINUES, IS TO BOYCOTT THE ELECTIONS. WE BELIEVE, HOWEVER, THAT MOST OF THE PARTIES WILL DECIDE TO CONTEST. BHUTTO WILL USE HIS POLITICAL PROWESS TO ENCOURAGE THEIR PARTICIPATING AND THE ALLURE OF A PARLIAMENTARY SEAT IS STILL STRONG FOR MANY OPPOSITIONISTS. IT IS IN THE PRIME MINISTER'S INTEREST TO HAVE THE OPPOSITION CONTEST THE ELECTIONS AND WE BELIEVE HE WILL MAKE IT ATTRACTIVE ENOUGH SO MOST WILL DO SO WHILE AT THE SAME TIME ASSURING THEY WILL NOT ACHIEVE ANY MAJOR ELECTORAL SUCCESSES.

17. BHUTTO OBVIOUSLY PREFERS TO HAVE AN OPPOSITION FOR IT GIVES CREDENCE TO HIS CLAIMS OF BUILDING DEMOCRATIC PROCEDURES AND PRACTICES IN PAKISTAN. HOWEVER, HE LIKES HIS OPPOSITION TO BE BOTH TAME AND TAMED, AND HAS BEEN SUCCESSFUL IN ENSURING THATHJT IS.

18. A PEOPLE'S GOVERNMENT AND SOCIAL ISSUES. A RECENT UN ECONOMIC STUDY HAS NOTED THAT THE DISPARITY IN SALARIES IN PAKISTAN IS ONE OF THE NARROWEST IN THE DEVELOPING WORLD. A NON-USG AMERICAN ECONOMIST IN ISLAMABAD CONTENDS THAT THIS MEANS THE PEOPLE'S GOVERNMENT HAS BEEN FAIRLY SUCCESSFUL IN DISTRIBUTING POVERTY. PUTTING IT A BIT MORE PRECISELY, THE BHUTTO GOVERNMENT SEEMS TO HAVE BEEN SOMEWHAT SUCCESSFUL IN INCREASING THE INCOME LEVEL OF TTC URBAN WORKING CLASS AND TRADERS WHILE KEEPING THE LID ON GOVERNMENT SALARIES. OUR IMPRESSION IS THAT RURAL INCOMES HAVE NOT DONE WORSE THAN THE AVERAGE.

19. THE PPP'S BASIC APPEAL TO THE MASSES TEMS FROM ITS CALL FOR ECONOMIC REFORMS AND SOCIAL EQUALITY. CERTAIN REFORMS WHICH WOULD TEND TO REDISTRIBUTE INCOME IN FAVOR OF PAKISTAN'S POORER POPULATION, SUCH AS PUBLIC OWNERSHIP OF BASIC INDUSTRIES AND LAND AND TENANCY REFORM, WILL THEREFORE CONTINUE TO BE PROMINENT FEATURES OF PPP DOGMA. BUT COUNTERVAILING PRESSURES FROM THE CONSERVATIVE ELITES WHO HAVE TRADITIONALLY BEEN

POWERFUL IN PAKISTAN AND FROM THE PPP'S NEW CONSERVATIVE  
MEMBERS LIMIT WHAT THE BHUTTO GOVERNMENT IS LIKELY TO  
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PAGE 04 ISLAMA 03602 03 OF 04 092205Z

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PAGE 01 ISLAMA 03602 04 OF 04 130538Z

16-42  
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

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C O N F I D E N T I A L SECTION 4 OF 4 ISLAMABAD 3602

C O R R E C T E D C O P Y (TEXT)T

CINCPAC FOR POLAD

DO IN SUPPORT OF MORE EQUITABLE INCOME DISTRIBUTION.

WE BELIEVE THIS SITUATION WILL CONTINUE THROUGHOUT THE ELECTION YEAR.

20. THE DISTRUST OF ELITISM, INHERENT IN PARTY RHETORIC IS BEST EXEMPLIFIED BY THE DILUTION OF THE TRADITIONAL CIVIL SERVICE SYSTEM WHICH HAS BEEN OPENED UP AS NEVER BEFORE FOR LATERAL ENTRANTS IN ORDER TO "DEMOCRATIZE" THE BUREAUCRACY INTERNALLY AND VIS-A-VIS THE PEOPLE.  
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PAGE 02 ISLAMA 03602 04 OF 04 130538Z

ALTHOUGH ONE RESULT OF THIS PRACTICE IS OFTEN INCREASED CORRUPTION IN THE CIVIL SERVICE, THIS IS A TREND WE SEE CONTINUING AS THE ELECTION APPROACHES. THERE IS CONSIDERABLE POLITICAL BENEFIT TO BE REAPED FROM WELL-PUBLICIZED MOVES TO DIMINISH THE INFLUENCE OF THE TRADITIONALLY POWERFUL CLASSES, EVEN IF THE GOVERNMENT'S PRACTICES DO NOT LIVE UP TO ITS RHETORIC.

21. BHUTTO, ECONOMICS AND THE ELECTION. PAKISTAN IS HAVING A DIFFICULT TIME ECONOMICALLY, WITH SLOW GROWTH AND A DELICATE BALANCE OF PAYMENTS SITUATION. THIS COMPLICATES BHUTTO'S AND THE PPP'S STATED GOAL OF REDISTRIBUTING INCOME AND WEALTH. POTENTIALLY, IT ALSO REPRESENTS A VULNERABLE SPOT FOR BHUTTO - CONTINUED POOR ECONOMIC PERFORMANCE IS AN ATTRACTIVE WEAPON IN THE OPPOSITION'S ARSENAL.

22. WE REGARD THIS VULNERABILITY AS MORE OF A LONG-TERM PROBLEM, HOWEVER, AND DO NOT EXPECT IT TO HAVE MUCH ADVERSE IMPACT ON BHUTTO'S RE-ELECTION HOPES. THE TWO BRIGHT SPOTS IN AN OTHERWISE DISCOURAGING ECONOMIC PICTURE - THE PROSPECTS FOR A SUBSTANTIAL INCREASE IN WHEAT PRODUCTION AND THE REDUCTION IN INFLATION FROM 24 PERCENT TO 10-15 PERCENT - ARE IMPORTANT ONES IN AN ELECTION YEAR. THE WEAKEST SPOTS IN THE ECONOMY - THE LOW SAVINGS RATE, THE NEED FOR STILL FURTHER INCREASES IN INDUSTRIAL INVESTMENT, AND THE ENORMOUS TRADE DEFICIT - AFFECT LARGE NUMBERS OF PEOPLE ONLY AFTER THEY HAVE BUILT UP OVER A LONGER PERIOD OF TIME.

23. BHUTTO CANNOT, IN THE LONGER RUN, AFFORD TO IGNORE THESE PROBLEMS, AND HE IS EVIDENTLY AWARE THAT - AGAIN IN THE LONGER RUN - GOOD ECONOMICS IS GOOD POLITICS. ADDRESSING THESE PROBLEMS WITHOUT ADVERSELY AFFECTING HIS SHORT-TERM POLITICAL GOALS, OR EVEN HIS SOCIAL POLICY AIMS, WILL REQUIRE DIFFICULT CHOICES AND COMPROMISES. RECENT ECONOMIC POLICY MEASURES, NOTABLY THE INCREASE IN UTILITY PRICES, SUGGEST THAT DESPITE ELECTION YEAR PRESSURES THE GOVERNMENT REMAINS INTERESTED IN INTRODUCING CERTAIN ECONOMIC REFORMS. BUT WE EXPECT

THE GOVERNMENT TO BE PARTICULARLY RELUCTANT TO UNDERTAKE  
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PAGE 03 ISLAMA 03602 04 OF 04 130538Z

IN THIS PRE-ELCTION PERIOD ANY PROPOSED CHANGE IN  
ECONOMIC POLICY WHICH HAS AN OBVIOUS SHORT-TERM ADVERSE  
IMPACT ON THE STANDARD OF LIVING OF LARGE NUMBERS OF  
PEOPLE, SUCH AS LAST YEAR'S SUBSTANTIAL INCREASE IN  
THE PRICES OF BASIC FOODSTUFFS.

24. PROVINCIALISM. BHUTTO WAS SHAKEN LAST FALL WHEN  
GHULAM MUSTAFA KHAR AND HANEEF RAMAY DEFECTED FROM THE  
PPP AND RAISED THE SLOGAN OF PROVINCIAL RIGHTS WHEN  
KHAR CONTESTED THE BY-ELECTION IN LAHORE. BY ARRANGING  
FOR KHAR'S DEFEAT AND VIGOROUSLY COUNTERATTACKING THE  
OPPOSITION IN THE PUNJAB ON A BROAD FRONT, THE PRIME  
MINISTER HAS REDUCED THE ISSUE OF PROVINCIALISM TO  
WHERE IT IS NO LONGER AN EFFECTIVE THREAT. BHUTTO  
CONTENDS THAT THE ISSUE WAS SETTLED IN THE CONSTITUTION -  
ALTHOUGH HIS ASSURANCES MAY NOT BE COMPLETELY ACCEPTED -  
AND MAINTAINS THAT THE DANGERS OF SLOGANS OF PROVINCIALISM  
TO HIS RE-ELECTION EFFORTS HAVE BEEN BROUGHT FIRMLY  
UNDER CONTROL.

25. A STRATEGY FOR ELECTION SUCCESS. THE PRIME MINISTER  
DOES NOT LIKE TO LEAVE ANYTHING TO CHANCE. HIS PRO-  
PENSITY IS TO INDLUGE IN "OVERKILL," WHETHER IT IS IN  
HIS TREATMENT OF THE OPPOSITION OR HIS CONTROL OVER  
THE ADMINISTRATION OF THE PPP. WE ASSUME HE WILL NOT  
CHANGE HIS TACTICS IN PREPARING FOR SUCCESS AT THE  
POLLS. HE WILL USE ALL THE CASSETS HE CAN COMMAND TO  
INCURE AN OVERWHELMING PPP VICTORY.

26. THE GOVERNMENT BUREACRACY HAS BECOME INCREASINGLY  
MORE RESPONSIVE TO BHUTTO'S WILL AND MORE POLITICIZED  
DURING THE PAST FOUR YEARS. IT CAN BE A USEFUL TOOL  
DURING ELECTIONS IN WAYS RANGING FROM ASSURING HIGH AND  
GENERALLY FAVORABLE VOTER TURNOUT TO HAVING A SYMPATHETIC  
VOTE-COUTING PROCESS. THE BUREAUCRATIC ELITE HAS  
ALWAYS PLAYED A CENTRAL ROLE IN PAKISTAN, AND ALTHOUGH  
INITIALLY WARY OF BHUTTO, THEY NOW REALIZE HIS STRENGTH  
AND WILL WILLINGLY ASSIST HIS RE-ELECTION EFFORTS.  
THE PRIME MINISTER HAS ALSO ATTEMPTED TO KEEP THE CIVIL  
SERVICE CONTENT BY GIVING THEM WELL-TIMED PAY INCREASES.  
AS THE PPP IS REVIVIFIED, THE NUMBERS OF PARTY WORKERS  
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PAGE 04 ISLAMA 03602 04 OF 04 130538Z

WHO CAN HELP INCURE VICTORY INCREASES AND PPP MINIONS WILL PLAY AN ACTIVE ROLE IN THE PARTY'S SUCCESS. THE FSF, WHICH HAS BEEN USED IN THE PAST TO THE PPP'S ADVANTAGE DURING BY-ELECTIONS, WILL UNDOUBTEDLY BE USED ONCE AGAIN TO ENSURE SECURITY AT TPOLLING PLACES AND ACT AS A PSYCHOLOGICAL DISINCENTIVE TO OPPOSITION CANDIDATES AND VOTERS. THE MEDIA, EITHER GOVERNMENT-CONTROLLED OR OTHERWISE COWED, WILL ENSURE THAT PPP SLOGANS AND ACTIVITIES ARE PROMINENTLY HIGHLIGHTED WHILE THE OPPOSITION RECEIVES COMPARATIVELY LITTLE COVERAGE.

27 GENERALLY, MUCH OF THE RESOURCES OF THE COUNTRY, BOTH PUBLIC AND PRIVATE, WILL BE HARNASSED IN SUPPORT OF THE PPP. MANY WOULD ARGUE THAT SUCH A HIGH DEGREE OF INSURANCE IS NOT NECESSARY FOR THE PARTY'S SUCCESS. BHUTTO STILL HAS CONSIDERABLE POPULARITY, ESPECIALLY IN THE RURAL AREAS OF PUNJAB AND SIND AND AMONG THE LABORING CLASSES IN THE CITIES. IN A FREE AND OPEN ELECTION, HIS PARTY WOULD PROBABLY EMERGE VICTORIOUS. HOWEVER, THE PRIME MINISTER WILL, AS HE HAS IN THE PAST, NOT BE SATISFIED WITH EITHER ONLY DEPENDING ON THE VOTERS' FREELY EXPRESSED WILL OR A LOW-KEY MARSHALLING OF SOME OF THE ASSETS HE COMMANDS. HE WANTS, AND WILL RECEIVE, RATHER THAN A RESPECTABLE BUT PERHAPS NOT OVERWHELMING VICTORY, A SWEEPING MANDATE COMBINED WITH THE OPPOSITION WINNING ONLY A FEW SEATS IN TH NATIONAL AND PROVINCIAL ASSEMBLIES. BYROADE

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